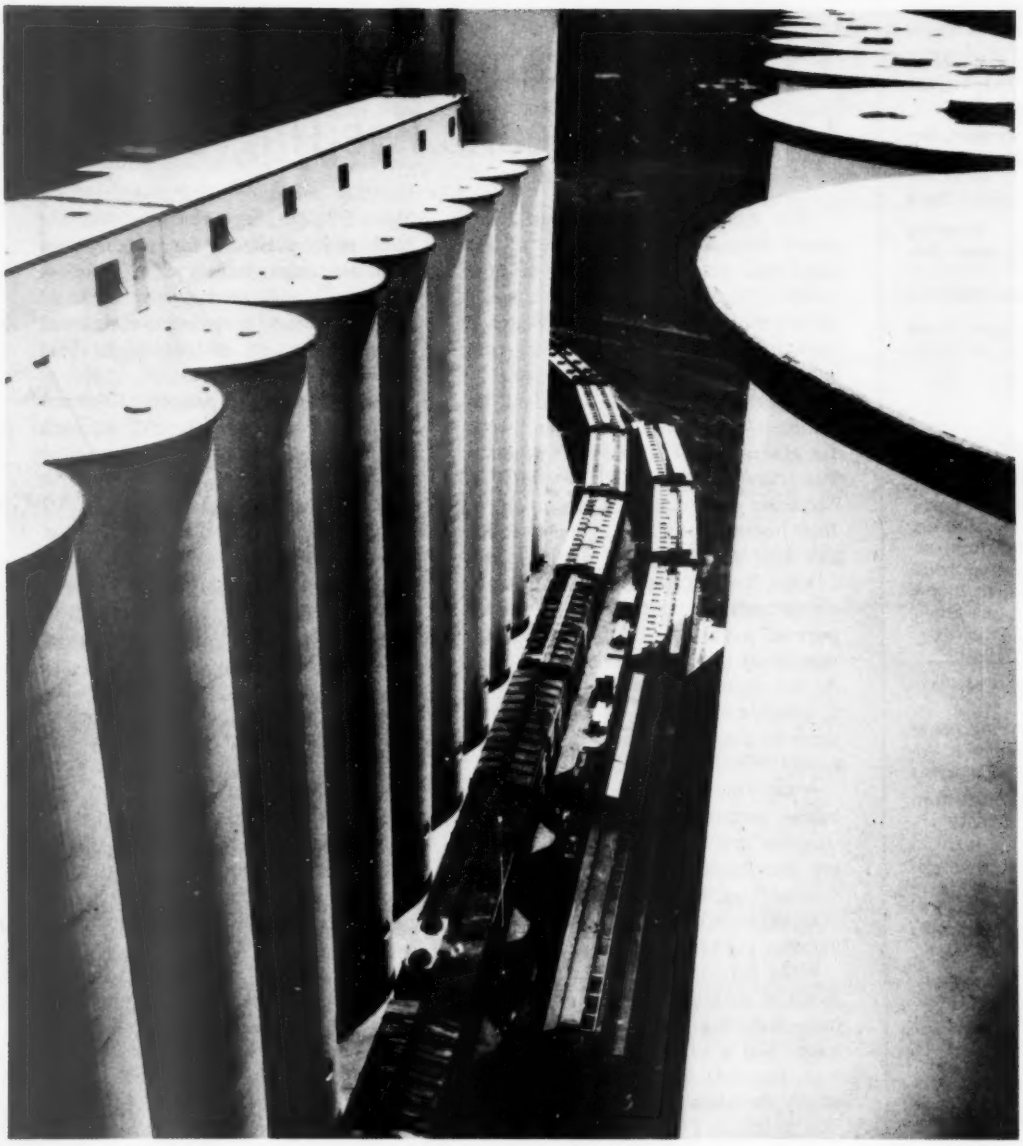
FOREIGN AGRICULTURE



July 23, 1973

U.S. Grain Transportation

Market for U.S. Products in Republic of China

Foreign Agricultural Service
U.S. DEPARTMENT OF AGRICULTURE

FOREIGN AGRICULTURE

VOL. XI No. 30 July 23, 1973

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This week's cover:

Loading grain into giant hopper cars in the midwestern United States for shipment along a network of rail lines to the Gulf ports. Major U.S. grain haulers—railroads, barges, and port elevators—accomplished a major task in fiscal 1973 by moving 80 million metric tons of grain for export. See article beginning on page 4.

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Continuing strong demand from abroad prompts Government restraints on farm shipments, but improvement seen for later this year as large crops are harvested.

Export Limitations in Effect On U.S. Soybeans, Feed Ingredients

The combination of unprecedented world demand and the failure of fishmeal and peanut production in other parts of the world resulted this month in imposition by the United States of export limitations on certain key commodities. The major developments:

• On June 12, the President announced an Export Reporting System for grains, soybeans, and their products. Exporters were required to notify the Secretary of Commerce of orders on their books as of June 13, and to follow this with weekly reports of new orders.

• On June 27, the Secretary of Commerce imposed an embargo on the export of soybeans and cottonseed and various of their meal and oil products. At the same time, notice was issued of a possible embargo on corn, should there develop any substantial increase in export demand for that commodity.

• On July 2, the embargo on soybeans, cottonseed, and products was removed and a system of export licensing was instituted for most of those commodities, in order to allocate supplies between the domestic market and overseas customers.

• On July 5, an additional 41 commodities were placed under export control—including tallow, lard, prepared feeds, and a variety of minor oil and meal products that were in danger of supply depletion as a result of the controls announced July 2.

Central to all of these actions was the inauguration of export limitations on soybeans, designed to assure adequate domestic supplies during the weeks preceding harvest of the new crop, while assuring a fair share to foreign customers.

The export allocation for soybeans was determined by subtracting domestic requirements from total available inventories with provision for a carryover of 40 million bushels as of August 31. The remainder was the amount that could be exported. It was determined that about 33 million bushels of beans and about 750,000 short tons of oilcake and meal were available for export after domestic requirements were satisfied. Since unshipped contracts in force on July 13 already exceeded that volume, it was necessary to cut back those orders.

For soybeans, 50 percent of the unshipped volume as of June 27 of each contract entered into on or before June 13 may be exported. For example, a foreign buyer who had ordered 100,000 bushels of beans by June 13 will get delivery of 50,000 bushels. For meal, 40 percent of the unshipped meal under contract as of June 13 may be shipped. This totals about 750,000 short tons of soybean meal.

This action will reduce exports of soybeans and meal in this temporary period as the new crop is awaited. The termination date of the licensing system is September 15 on soybeans and October 15 on oilcake and meal. The export ceilings allow 145 million bushels of soybeans for domestic crushing after June 13, and 3.7 million tons of domestic meal, which should be sufficient to meet livestock feeding needs.

The action was taken after exporter reports to the Department of Commerce and other Government reports disclosed very tight supplies of soybeans and certain related products until harvest this fall. It is an effort to ensure adequate domestic supplies with the least possible disruption of foreign contracts.

For the season as a whole, the action will enable the United States to achieve a balance between domestic and foreign use that is about what had been figured in earlier estimates: In beans an export of 490 million bushels, a domestic crush of 735 million bushels, and a carryover of 40 million bushels, and for meal, exports of about 4.7 million short tons and domestic use of about 12.3 million short tons.

Thus the export control program now in effect will not result in an overall reduction in export shipments for the

1972-73 marketing year. Nor will exports fall below the levels anticipated at the beginning of the year.

In fact, exports for the year of soybeans and meal combined will be the equivalent of 110 million bushels above 1971-72. This increase of nearly 20 percent in export shipments is largely offsetting the catastrophic decline in foreign fishmeal and peanut meal export supplies this season in other countries.

The shortfall in Peruvian fishmeal and Indian and Senegalese peanut meal was equivalent to 145 million bushels of soybeans. The United States was able to fill a large part of that gap due to the record soybean crop of 1.3 billion bushels produced by American farmers in 1972. Increased acreage indicated for the 1973 crop should, with normal yields, permit a further substantial increase in exports next year.

American farmers have been encouraged to expand production again this year, in response to the growth in demand at home and abroad. The acreage in setaside has been reduced by 42 million acres, and indications are that farmers have responded by increasing plantings by some 25 million acres, despite bad weather at planting time. Much of this expansion is in major export commodities.

The July 10 report on U.S. crops revealed a record U.S. soybean area this year, estimated at 55.7 million acres for gains of 22 and 31 percent from the previous 2 years. This is the 14th straight year for increases in soybean acreage and will ensure another record crop. Projected at 1,588 million bushels, soybean production will be some 24 percent above last season's.

Among other U.S. oilseeds, peanuts should benefit from a 1-percent gain in acreage, but cottonseed production will reflect a 6-percent decline in cotton area.

Bountiful U.S. grain harvests also should help improve the tight supply of animal feeds. The corn crop, from an acreage 9 percent larger than last year's, is expected to hit a record 5.9 billion bushels. This compares with the previous record of 5.6 billion in 1971. Grain sorghum production, projected at 867 million bushels, would be 5 percent above last year's crop.

The wheat crop is forecast at a record 1,749 million bushels—13 percent above last year's and 8 percent over production in 1971.

FORTY-ONE U.S. COMMODITIES PUT UNDER EXPORT CONTROL

The 41 categories of U.S. commodities placed under export controls on July 5 included edible oils, animal fats, and livestock protein feed. None of the commodities listed may be exported without a validated license from the Department of Commerce's Office of Export Control. Licenses will be granted on the following basis:

- Orders accepted on or before June 13, 1973, for export prior to October 1, 1973, will be licensed to the extent of 100 percent of the unfilled balance of the order.
- Orders accepted after June 13, 1973, for export prior to October 1 will not be licensed until further notice. A method of licensing such orders will be announced subsequently.
- Order accepted for export on or after October 1, 1973, will not be licensed until further notice.

Corn gluten feed
Linseed oilcake and meal
Sunflower and safflower oilcake and meal, peanut meal; peanut oilcake
Meat meal and tankage
Fishmeal
Feather meal
Poultry feeds, prepared
Dairy cattle feeds, prepared
Livestock feeds (except dairy cattle) including supplements, prepared
Alfalfa meal, dehydrated
Alfalfa meal, sun-cured
Lard and other rendered pig fat, except grease
Choice white grease
Safflowerseed
Sunflowerseed
Peanuts (groundnuts), shelled, green
Peanuts (groundnuts), unshelled, green
Flaxseed (linseed)
Bonemeal
Blood flour and blood meal
Tallow, edible
Tallow, inedible
Soybean oil, crude, including degummed
Soybean oil, once-refined
Soybean salad oil, refined and further processed by bleaching, deodorizing, or winterizing (except hydrogenated), not donated for relief or charity by individuals or private agencies
Cottonseed oil, crude
Cottonseed oil, once-refined
Cottonseed salad oil, refined and further processed by bleaching, deodorizing, or winterizing (except hydrogenated), not donated for relief or charity by individuals or private agencies.
Peanut oil, crude
Peanut oil, except crude or hydrogenated
Sunflowerseed oil, crude
Sunflowerseed oil, once-refined, (after alkali or caustic wash, but before bleaching, deodorization, or winterization)
Sunflowerseed oil, including all mixed or blended soft salad oils, bleached, deodorized, or winterized (except hydrogenated), not donated for relief or charity by individuals or private agencies
Linseed oil, raw
Linseed oil, boiled, oxidized, dehydrated, sulphurized, blown, or polymerized
Corn oil
Safflowerseed oil, fixed
Soybean oil, hydrogenated
Cottonseed oil, hydrogenated
Cottonseed and soybean oil mixture, hydrogenated
Corn oil, hydrogenated
Fish oil, hydrogenated
Maize oil, hydrogenated
Peanut oil, hydrogenated
Soybean lecithin

U.S. Grain Transportation System Meets Its Greatest Challenge

By LLOYD J. FLECK
Commodity Programs
Foreign Agricultural Service

IN THE MOST remarkable year in the history of U.S. farm exports, fiscal 1973, the U.S. grain transportation system accomplished a major task. It moved 80 million metric tons of grain—over 60 percent more than in the previous year.

This massive grain movement represents 90 percent of the volume of all agricultural exports in a year when both value and volume of U.S. farm shipments leaped ahead by more than 50 percent—to over $12 billion and 90 million metric tons.

"Grains" as used in this article, refers to wheat, feedgrains, and soybeans.

To visualize the problems for the major grain haulers—barges, railroads, and port elevators—imagine the quantity of grain required:

- To fill twice every boxcar, hopper car, and barge in the United States, or
- To fill eight times over every U.S. export elevator, or
- To fill nearly 7 times over every U.S. freighter and tanker.

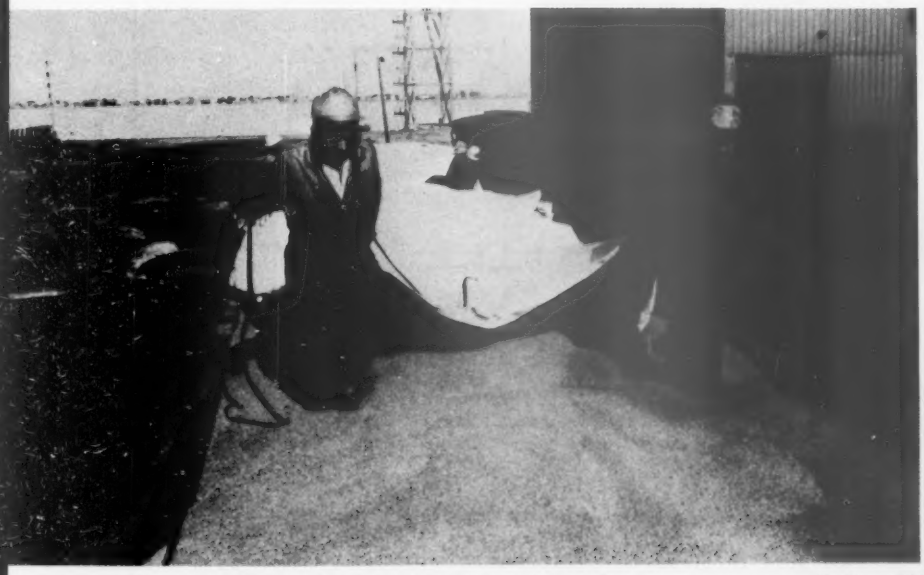
From this unprecedented effort, the U.S. grain transportation system has developed the capacity to move substantially larger quantities of grain than it has ever moved before through increased investment in barges and railcars, more efficient traffic management, and innovations in shipping.

Grain export patterns. Most U.S. grain exports are produced in three areas—the Midwest, the Plains, and the Pacific Northwest.

The Midwest, the most important production area, has traditionally shipped grain along the natural highway of the Mississippi Valley, southward to the east Gulf ports. This north-south route, served by barge and rail traffic, is the major artery for grain exports, moving over 40 percent of the U.S. total.

The Midwest is also served by two smaller outlets: the St. Lawrence Seaway, which handles 18 percent of U.S. grain exports from the Great Lakes during its 9-month season; and the east-west rail lines, which carry 6-8 percent of all grain exports from the Midwest to Atlantic ports—the heaviest shipments during the 3-month freeze of the St. Lawrence Seaway.

Altogether, about 70 percent of U.S. grain exports are shipped from the Mid-



Use of coal facilities has helped speed exports of U.S. grain this year. Clockwise from above: Grain in coal hopper cars at Superior, Wis., is covered with tarpaulin; grain spills through former coal-loading facility into ship's hold; and grain is pushed into a coal-loading tower at Newport News, Va.

west through east Gulf, Great Lake, and Atlantic ports.

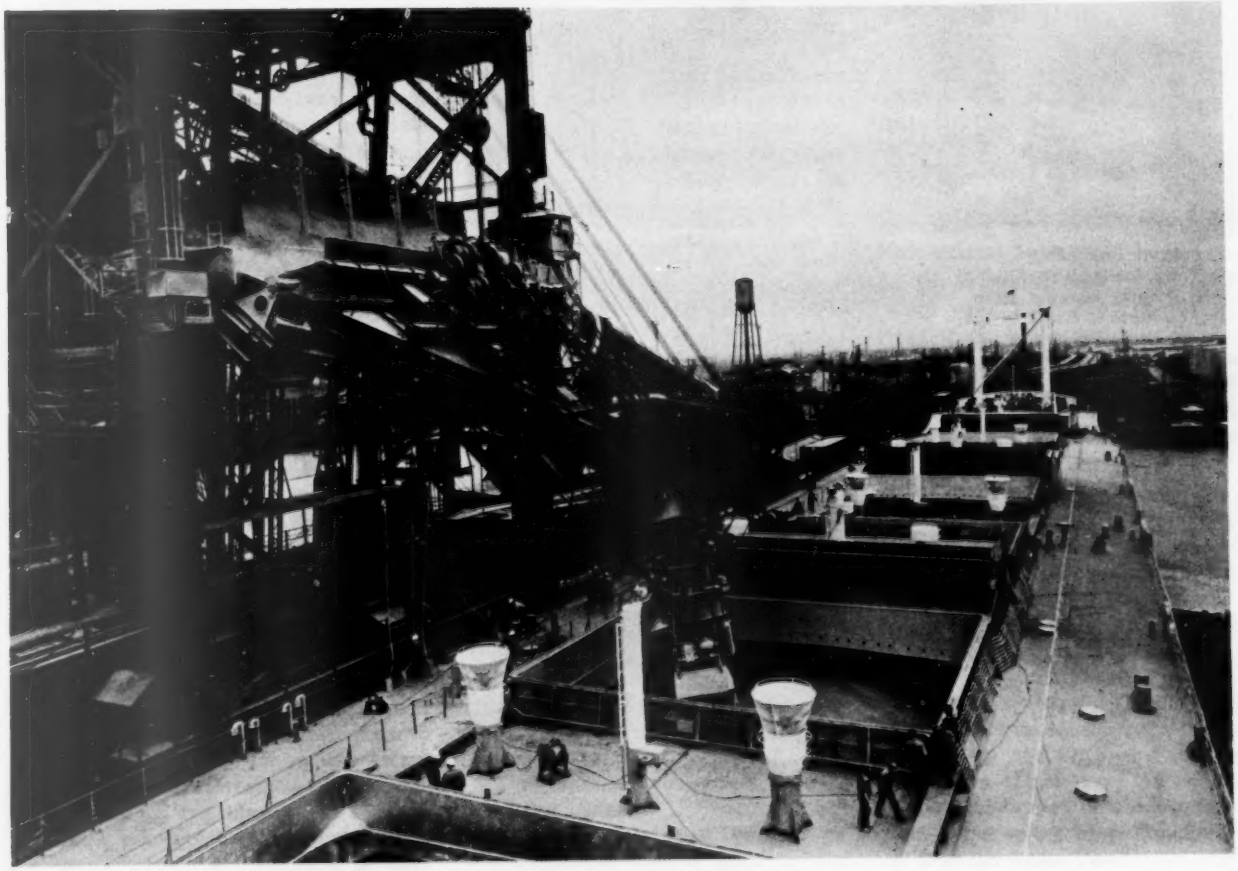
The Plains—the second major grain production area—ships grain southward along rail lines to the ports on the Texas Gulf. About 20 percent of U.S. grain exports are shipped along this route. Shipments consist mostly of hard winter and hard spring wheats and grain sorghum.

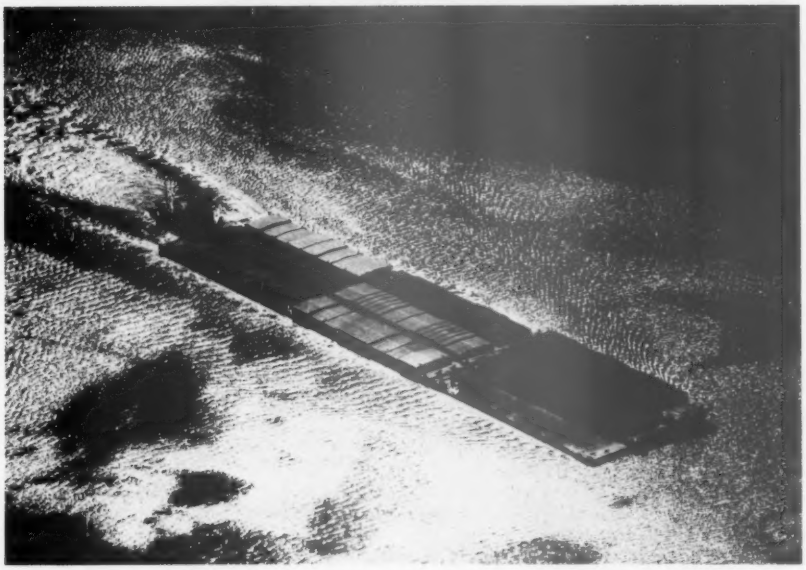
The remaining 10 percent of grain exports are produced in the Northwest and shipped via rail and truck to Pacific ports. Grain production in this area is limited largely to White, hard spring, and hard winter wheats; exports are shipped mainly to the Far East and to the Pacific coast of Latin America.

Each of the three export outlets for Midwest grain has a distinctive transportation pattern.

The north-south Mississippi Valley route consists of barge and rail traffic that converges at the mouth of the Mississippi River at New Orleans. The seven elevators in the New Orleans area (and three others within a 100-mile

At Newport News, Va., grain (below) flows down coal-loading mechanism and (bottom) full view of port's coal-loading facility in use to speed U.S. grain exports.





Top to bottom: One railway's Rent-a-Train, loaded with 400,000 bushels of corn, leaves a grain elevator en route to Baton Rouge, La.; barge transport of U.S. grain; and new 100-ton hopper cars await transloading into ship at Long Beach Harbor.

radius) load about two-thirds of all soybean exports, and over half of all feedgrain exports.

Barge lines usually offer the lowest rates between the Midwest and New Orleans. Barge shipments generally follow a seasonal pattern with a high point in October and November, the months of corn and soybean harvests.

Barge traffic slows during the winter months, when the upper Mississippi and Missouri Rivers are closed by ice. Spring floods also slow barge traffic—especially during this May, when high water persisted throughout the river system.

Barring severe weather, the quantities of grain shipped by barge are relatively constant from year to year. Between fiscal 1969 and fiscal 1972, for example, inspected barge shipments of grain varied only by about 1 million metric tons from year to year.

CONSEQUENTLY, in years when Midwest grain shipments are large, most of the extra tonnage must be absorbed by the railroads. Unlike barge rates, which are set by market demand, rail rates are controlled by the Interstate Commerce Commission (ICC). During periods of heavy demand for rail transportation, there are usually shortages of rail cars. Such shortages recently have been aggravated by the shrinking number of railcars.

A different transportation pattern exists in the Great Lakes ports, the second outlet for Midwest grain. Trucks haul a major portion of the grains shipped through these ports during fiscal 1972, including half of the hard spring wheat received at Duluth-Superior, over half of the corn received at Chicago, and nearly 85 percent of the corn and soybeans received at Toledo. Most truck shipments are relatively short hauls, within a few hundred miles of the ports.

During the winter, from late December to early April, the Lake ports are closed by ice. Most of the grain traffic is diverted to either the Gulf ports or to the third outlet for Midwest grain, the Atlantic ports.

The east-west rail lines which connect the Midwest with the Atlantic ports are usually busiest during January, February, and March: about 40 percent of their annual grain shipments are made during this 3-month period. Trucks haul some small amounts of grain to the Atlantic ports, especially soft winter wheat and soybeans grown near the Atlantic coast.

COASTAL AREAS' SHARE OF U.S. GRAIN EXPORTS, FISCAL 1972

[Percent]

Coastal area	Wheat	Feed-grains	Soy-beans	Total
Great Lakes[1]	10	20	24	18
East Gulf	13	55	65	43
Texas Gulf	45	9	7	21
Atlantic	3	14	4	8
Pacific	29	2	—	10

[1] Includes U.S. grain shipments through Canadian ports.

Grain exports from the Plains, the second major production area, are shipped along a network of rail lines which funnel grain—especially hard winter wheat from the western sections of Texas, Oklahoma, Kansas, and Nebraska—into the Texas Gulf ports around Houston. The Texas ports load about 70 percent of the Nation's hard winter wheat; they are also the major outlet for grain sorghum, which is brought to port by rail and truck from Texas and the Southwest.

Meeting the challenge. During fiscal 1973, grain exports jumped 60 percent —or 30 million metric tons—over those of the preceding year. This sudden increase was due to:

- Sales of nearly 11 million tons of wheat—mostly of the hard winter variety—to the Soviet Union;
- Record sales of feedgrains to buyers throughout the world;
- Continued boom in the long-term expansion of soybean exports. Most of these new exports were produced in the Midwest and the Plains, and the transportation load fell on the outlets serving these two areas. (Pacific coast shipments have been near normal levels during the past year.)

The Midwest outlets were the first to feel the pressure of these new export shipments, especially the Mississippi Valley route to the Gulf. During the fall of 1972, barge rates began to increase, finally approaching the level of rail rates. With virtually all barges booked months in advance, grain shippers could look only to the railroads for transportation to the Gulf.

By mid-October, railcar loadings of grain began regularly to exceed 30,000 cars per week—a level which severely strains rail service. Barge shipments hit a peak in late November and began to taper off in anticipation of winter conditions on the river. As barge loadings declined and trucks ceased hauling grain to the Lake ports, complaints of railcar shortages reached record highs. By early January, daily shortages of railcars exceeded 20,000: each day rail dispatchers were asked for 20,000 cars more than they could supply.

Three main factors contributed to this severe car shortage: The seasonal drop in barge shipments during winter months; the diversion of grain from Great Lake ports via rail to the Atlantic and Gulf ports; and settlement of the Soviet-American shipping agreement in late December, which allowed wheat shipments to begin from the Texas Gulf ports in January.

With record car shortages, railroads and the ICC struggled to increase the efficiency of the rail system. Since rail rates are fixed, the ICC attempted to push deliveries through a "negative" price system of penalties. "Demurrage fees," the charges paid by the receiver for keeping railcars past a specified unloading period, were increased and the unloading time shortened. ICC orders also demanded a speedup in returning railcars which had left their owner's line.

When it became obvious that the railroads could deliver cars faster than the port elevators could unload them, the Association of American Railroads (AAR) began to "embargo" ports where backups of cars occurred. (Embargos forbade movement of trains to port elevators with unusual numbers of cars waiting to be unloaded.) Embargos were common—especially along the Gulf—during the first 3 months of 1973.

THE RAILCAR SHORTAGE was most critical for smaller shippers, especially local country elevator operators. While most country elevator operators had contracts to sell their grain, they were paid only when it had been delivered to the buyer. Such small shippers usually obtain operating expenses through bank loans, which are paid off when the grain is delivered.

During the spring of 1973, however, smaller shippers were unable to obtain railcars to ship their grain, could not receive payment under their contracts, and thus faced mounting interest charges. Despite the efforts of the ICC to relieve this situation, the "credit crisis" continued to plague country elevator operators throughout the shipping season.

The severe transportation shortage led to an unusual price relationship between domestic and export grain prices. Ordinarily, the price of grain at Gulf ports is about 25 cents higher than the price at inland production areas. This 25-cent difference includes transportation costs and "fobbing" charges (fees for unloading, elevating, and loading the grain aboard ship). Since both rail rates and fobbing charges have been relatively constant for several years, the 25-cent difference has varied little.

FOLLOWING THE CLOSING of the Great Lake ports in late December, the difference between inland and Gulf port prices began to widen. For the next 3 months, the difference averaged over 70 cents per bushel for soybeans, 50 cents per bushel for corn, and 40 cents for hard winter wheat.

These abnormal price differences—far in excess of actual transportation costs—were a reflection of the severe railcar shortage. Normally, both domestic and export demand combined to set the price at inland markets. During early 1973, however, export and domestic markets became separated by a transportation tieup. Buyers at the Gulf ports bid up the price for supplies actually present at the ports, while sellers in the interior markets were unable to ship their grain in response to higher Gulf prices.

When the Lake ports reopened in early April, the price differences for soybeans and corn dropped back toward the 25-cent per bushel level. Since the Lake ports ship little hard winter wheat, the price difference for that commodity has remained at a higher-than-normal level.

The reopening of the Lake ports in April signaled the end of the worst part of the transportation crisis. Truck and barge traffic helped relieve some of the pressure on railroad traffic. ICC and AAR efforts to speed rail shipments also began to have a greater effect on railcar efficiency.

Most of the remaining congestion occurred at Texas Gulf ports, which were heavily dependent on rail traffic. One novel effort to ease congestion sent hard winter wheat to Norfolk (on the Atlantic) via east-west rail lines. These shipments were unusual because they employed open-top coal hopper cars covered with special plastic covers. These cars were unloaded at a coal loading facility directly aboard ship. This innovation helped speed an additional 3-4 million bushels of wheat each week during the spring of 1973—nearly all of it to the Soviet Union.

Ecuador Imports Breeding Stock To Increase Meat Production

By C. MILTON ANDERSON
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ECUADOR may become a sizable exporter of livestock and meat if proposed Government programs are successful. Part of the National Development Plan for 1973-77 calls for importation of breed stock of cattle, sheep, and hogs to bolster quality and rate of population growth of Ecuadorean livestock. The United States can be one of the major suppliers.

Most of the 8,000 sheep to be imported are expected to come from the United States, Australia, and New Zealand, while hog imports of about 5,500 head will probably be of U.S. origin.

Government officials have indicated a phased cattle-import program, the first phase to involve importing and stocking up to 50,000 head of Brahman cattle in the eastern and coastal regions, where extensive under-used land areas are well-adapted to development of high-quality pastures.

As part of this first phase, the Government purchased 10,500 head of Brahman cattle from Costa Rica on April 20, 1973, for sale at cost to small and medium-scale farmers in the coastal region of the country. Some 2,100 animals arrived on May 19, 1973.

The second phase will be importation of about 10,000 head of dairy cattle, mainly Holsteins for the highlands. The final phase would be beef cattle (probably Herefords) also for the highlands. In all, 15,750 quality beef animals are to be imported annually during 1974-77 under this plan.

The United States should be in a better position to sell dairy than beef cattle to Ecuador, but much will depend on price levels and how well U.S. breeds are promoted. During 1971-72 all imports of breeding cattle were from the United States, mainly Holsteins for highland dairy operations and Brahman heifers and bulls for lowland beef farms. Some 329 head of U.S. beef cattle were imported in 1971, only 49 in 1972.

Most of the livestock entering Ecuador from Colombia during 1972 were for slaughter. Most departures were to Peru. Both movements were loosely controlled.

This year's Government purchases of 10,000 Brahman heifers and 500 purebred bulls, covered by a $3-million order from Costa Rica, will be distributed by the National Development Bank on the basis of loan applications. The Government plans to give necessary technical assistance to recipients.

An additional 10,000-30,000 head may be purchased from the Dominican Republic, Brazil, or other South and Central American countries in late 1973 or early 1974, if sources can provide improved cattle at reasonable prices.

A $10-million World Bank loan is currently available to farmers for use in livestock projects, including purchases of animals.

Impetus for the livestock development program grew out of a 1972 Government survey warning of continued slow growth in livestock numbers and meat production. Important goals of the program are increased domestic consumption and possible export of some livestock products.

Beef cattle. The Government hopes to improve production efficiency to permit per capita consumption of beef to rise from about 0.97 ounce per day in 1972 to about 1.19 ounces per day in 1977; to eliminate need for beef cattle imports from Colombia; and to begin exporting beef in 1977.

Government officials believe the beef cattle industry can be developed more rapidly if medium and small-scale producers are provided with proper financing and a source of improved stock with which to expand their operations.

Therefore, the Government plans to:

- Expand size and quality of the domestic herd through importation of quality stock.
- Establish reception centers to properly care for imported livestock.
- Place imported cattle on 1,900 farm development projects, each of which will establish about 125-495 acres of improved pasture.

On implementation of this project, beef cattle numbers hopefully will increase from 2.5 million in 1972 to almost 3 million in 1977.

Without these measures, rate of growth of cattle production (which rose at a rate of 2.5 percent during calendar year 1972 to an estimated 2.58 million) would continue to increase only slightly through 1977.

In 1972, breeding females (cows and heifers) made up 44.9 percent of the domestic herd. However, due to nutritional deficiencies, diseases, and parasites, calving percentage of these was at 55 percent and preweaning death loss at 25 percent, making a net annual gain of only 467,000 head. This permitted only a 12.64 percent slaughter rate, producing 50,000 metric tons of beef for domestic consumption.

For 1973 there were 484,000 calves born that survived birth, a slaughter rate of 12.89 percent and beef production of 52,300 metric tons. Beef quality has been generally low. Although a few steers are marketed younger, most are 3-5 years old, and old dairy cows and bulls make up the balance. Carcass weights are also low, averaging 368 pounds per head.

Dairy cattle. In 1972, an estimated 533,900 dairy cows produced about 747 million quarts of milk. This year's production is estimated at 765 million quarts, with growth coming from increased numbers.

THE PRESENT RATE of growth is too slow to meet rapidly rising milk consumption requirements. Therefore, the Government hopes to increase per capita consumption of milk from about 66.6 quarts in 1972 to 75 quarts in 1977 through implementation of a dairy cattle program, which will be conducted in the highlands. The Government will:

- Develop and finance regional dairy projects, each consisting of eight farms. (Each farm would have 123.5 acres of pastureland and 50 dairy cows.)
- Supply technical assistance to increase milk production per cow.
- Promote and encourage use of artificial insemination.

Swine. The program for expansion of swine population again has the goal of increasing national meat consumption and possibly making Ecuador an exporter of pork products. Hog numbers are expected to increase from 2.05 million in 1972 to 3.1 million in 1977.

Among other things, this growth would require:

- Establishment during 1974-75 of 50 breed stock units with 110 hogs on each farm.
- Supply of technical assistance and credit to farmers involved.

In the past few years, some commercial-scale hog farms have expanded swine herds through increased use of cassava, surplus bananas, rice husks, oilseed meals, corn, etc. However, rate of expansion has not measured up to Government hopes due to diversion of some of these to poultry feeds. Also, many farmers have been unable to finance purchase of additional hogs due to lack of credit.

In 1972, an estimated 702,500 hogs were slaughtered at an average weight of 115 pounds, yielding 23,740 metric tons of pork. Estimates for 1973 are 755,200 hogs slaughtered, yielding 25,530 tons of meat.

Sheep. The program for sheep follows the same pattern as those for cattle and swine. It involves importation of ewes for breeding purposes, to be placed on 16 farms of 500 animals each. If successful, sheep population will increase from approximately 2 million in 1972 to 2.2 million in 1977.

Most Ecuadorean sheep are native Merinos, which are small in size. Slaughter is estimated at 479,320 head, with meat production (based on an average carcass weight of 31 pounds) at 6,680 metric tons and production of offals at 1,230 metric tons. Projected for 1973 are 488,840 head for slaughter, 6,950 metric tons of meat produced, and 1,250 metric tons of offals. Production of greasy wool for 1972 is currently estimated at 1,530 metric tons.

Government officials consider meat consumption levels too low, although they have increased an estimated 28 percent since 1968. In that year, the National Institute of Nutrition estimated daily per capita consumption of red meat, offals, and fish at only 1.7 ounces, one-third below the recommended level of 2.6 ounces.

Although domestic consumption requirements in 1972 were generally satisfied in Quito and the highlands, there were periodic shortages in Guayaquil and other coastal cities. No improvement of the situation is expected in 1973. Total red meat consumption is forecast at 84,730 tons, compared with 80,440 tons in 1972.

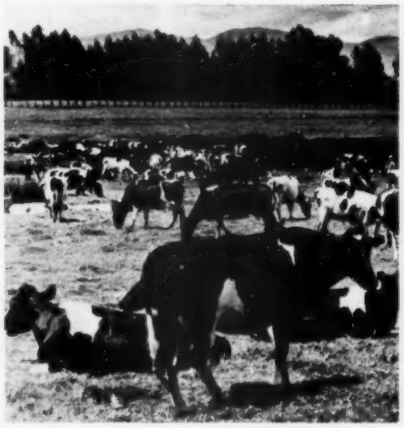
Also, price inflation in food commodities including meat continues to be of considerable concern. For example, price rises of over 20 percent have occurred for some livestock since January 1, 1973. These rises come despite efforts by the Government and city officials to maintain fixed meat prices through controls.

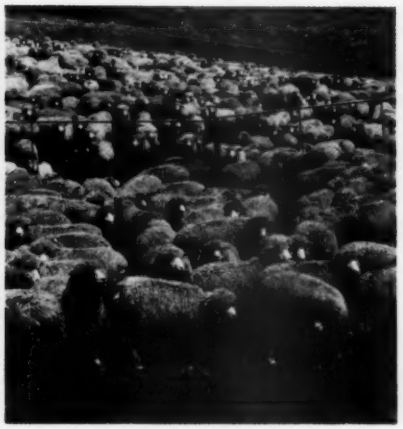
Demand for quality beef exceeds supply and has forced prices up. Much of this beef and most of the meat supply is channeled through small butcher shops, whose owners buy and sell at higher than fixed prices. Also, some better quality cattle are sold to Peruvian buyers, who pay higher on-the-hoof prices. During calendar 1971, Peru bought about 9,000 pounds, at a value of almost $1.9 million.

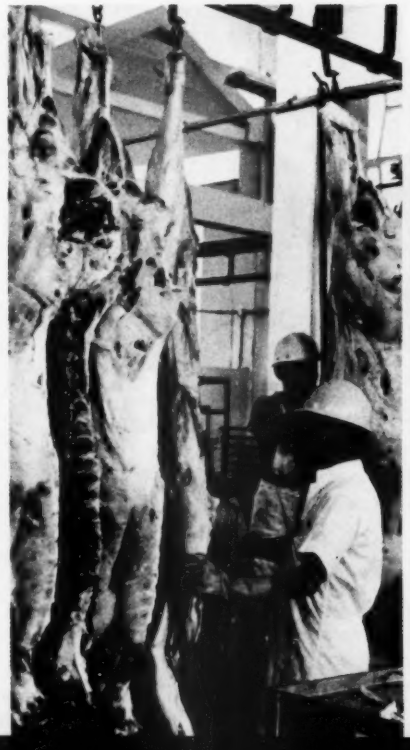
Ecuador still does not have a modern marketing system for meat products. Only 1 or 2 days' supply of fresh beef, pork, or mutton is available each day due to lack of refrigeration facilities.

Cattle on the hoof currently sell on the domestic market at 16-20 cents per pound; hogs at 18-22 cents per pound; and sheep at 16-18 cents per pound. Official beef wholesale (carcass) prices are 28 cents per pound, although actual prices range from 30-32 cents per pound. Pork (officially at 32 cents per pound wholesale) actually sells at 32-34 cents per pound, lamb and mutton (officially at 28 cents per pound wholesale) at 28-32 cents per pound, and veal (for which there are no official wholesale prices) at 32-36 cents per pound.

Hens and broilers currently sell for 32-40 cents at the farm and at 40-52 cents in retail markets. A year ago, farm prices ranged from 28 to 36 cents and retail prices were between 32 and 40 cents.







Important in Ecuador's plan to increase livestock production are, top left and right, imported U.S. dairy Holsteins and Australian Corriedale ewes. Providing judges and classifiers for local expositions helps U.S. image. Above, imported Holstein bull, "Polytechnic Bondsman," wins Grand Champion at Ambato cattle show. Left, modern slaughter plant in Santo Domingo de los Colorados.

Economic Gains Spur Imports By Republic of China

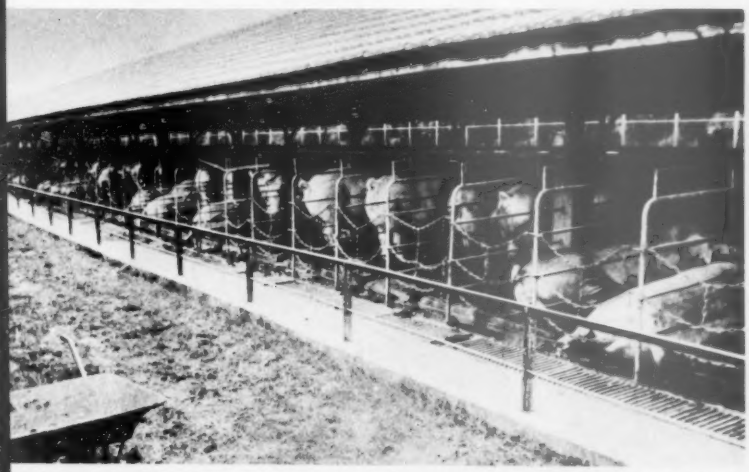
In the wake of incessant economic growth, the tiny island nation of the Republic of China (Taiwan) is emerging as a major market for U.S. farm products.

Last year alone, Taiwan's purchases of U.S. agricultural commodities jumped 21 percent to a record $196 million—virtually all of which were for dollars, contrasted with the large P.L. 480 imports of past years. This put Taiwan in third place behind Japan and South Korea as a Far Eastern market for U.S. farm products.

The confluence of burgeoning consumer demand—especially for meat and other high-quality foods—and of agriculture's shrinking place in the Taiwan economy should help sustain this import growth in 1973 and beyond. In fact, Taiwan has guaranteed it to some extent as a result of recent long-term agreements for the import of U.S. grains and soybeans—items which already account for the major share of Taiwan's agricultural imports from the United States.

Soybeans have been the largest single part of this U.S. trade and also one of the fastest gainers. Last year, their growth amounted to 24 percent for a $76.1 million total. Taiwan's imports of U.S. grains climbed even more steeply in 1972—nearly doubling to $50.5 million. This included a 42-percent jump in imports of U.S. wheat from the $22 million of 1971. In addition, takings of U.S. corn soared more than sixfold to $17.3 million as availabilities from the traditional supplier, Thailand, were reduced by unfavorable weather.

Among other products, U.S. tobacco sales in Taiwan jumped from $9.8 mil-

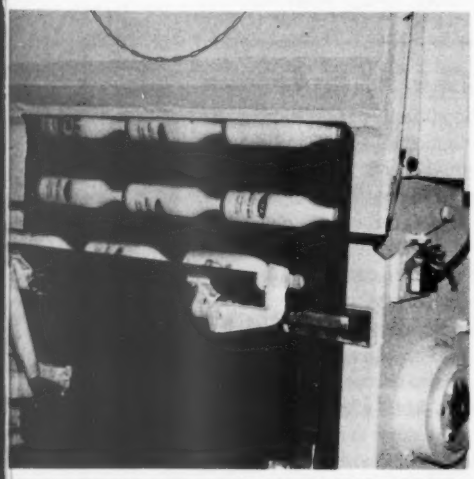


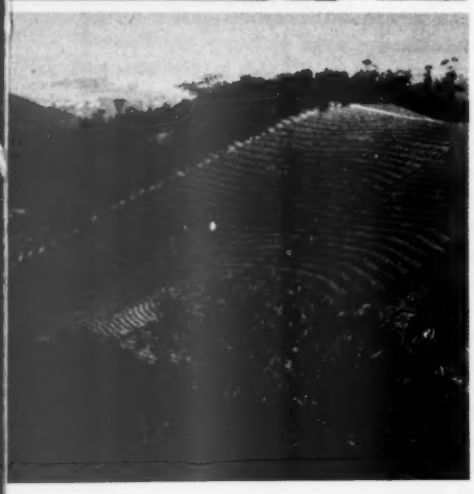
Clockwise from above: A new grain elevator at the port of Kao Hsiung; hogs in Taiwan—basis for an expanding pork export industry; bottling sterilized whole milk in a cooperative plant; planting sweet-potatoes, one of Taiwan's leading staple crops; and Taiwanese pineapples—a major crop.

lion in 1971 to $15 million last year. But cotton lost ground in the market, dropping to $40.6 million from $53.2 million as high world prices discouraged trade.

Helping to foster the import jump was further rapid growth in Taiwan's economy. Taiwan's GNP rose an estimated 11 to 12 percent (in current prices) last year, reaching $6.9 billion, and per capita incomes climbed from $329 in 1971 to $372. As manufacturing increased its share of the GNP to over 36 percent, agriculture's part slipped further to 15.7 percent.

For 1973, Taiwan expects another year of rapid economic growth. The GNP is forecast to rise at an annual rate of about 9.5 percent, with industrial growth totaling around 24.5 percent. Agricultural production, on the other hand, will continue its slow expansion of recent years—about 4.4 percent annually, according to the current 4-year plan.





With increasing amounts of the agricultural growth taking place in livestock—which thus means greater need for imported feeds—and the economy as a whole still robust, Taiwan's agricultural imports should rise again in 1973.

In addition, the country has sizable foreign exchange reserves. These reserves, plus accelerating inflation, have prompted some recent trade liberalization, including a lowering of import duties last year and this April on industrial and agrcultural products. The latest move—on April 12, 1973—involved a reduction of the import tariff on 15 items, including vegetable oil, for a period of 1 year.

Also, for the first time a quota is being authorized for imports of U.S. apples, and marginal deposit requirements for import letters of credit have been reduced 10 percent.

The trade outlook this year is for further expansion in import needs for grains and soybeans.

Currently, Taiwan's total corn imports in 1973 are forecast at 1,560,000 metric tons and soybeans at 768,000—both above the record 1972 levels. Imports of wheat, on the other hand, may stay at about the 1972 mark of 700,000 tons. Because of the current high prices for grains and oilseeds, the value of such imports will be well above that recorded in 1972.

In line with these expanding needs, a Taiwan trade mission recently signed an agreement to import 5.5 million tons of U.S. grains and soybeans over the next 3 years. For the first year—fiscal 1974—the agreement calls for imports of 550,000 tons of U.S. soybeans, 500,000 of wheat, 400,000 of corn, and 200,000 of barley for a total of 1.65 million tons. (See *Foreign Agriculture*, May 7, 1973.)

A boon to U.S. bulk commodity trade in general is the partial opening of the new entrance to Taiwan's major port of Kao Hsiung for limited shipping by June 1973. When eventually completed in 1975, the entrance will allow direct unloading of bulk carriers of up to 100,000 tons displacement.

Taiwan's imports of breeding livestock also are on the rise this year, with some of these coming from the United States. Three plane loads of beef heifers from Oregon arrived in January and more beef, dairy, cattle, and/or hogs may be imported later. Australia and New Zealand are also supplying large amounts of breeding stock.

Imports of U.S. cotton are also expected to exceed the reduced purchases of 1972.

In addition to the impact of expanded consumer demand and meat production, Taiwan's import growth has been affected by a general slowdown in agriculture—a development that was accentuated last year by unfavorable weather.

Coming in the form of three offshore typhoons and an unusually cold spring, the capricious weather sharply curtailed crop production, holding its total advance to 0.8 percent in 1972. This, in turn, cut the rate of gain for total agricultural and fishery production to 1.3 percent.

The big losers included some important export crops like sugarcane—off to 7.1 million tons from 7.9 million the year before; vegetables (including mushrooms and asparagus), down to 1.67 million tons from 1.76 million; and bananas, down 6 percent to 445,000 tons.

Gains were achieved for the important livestock feed crops of sweetpotatoes and corn, up 2 and 5 percent, respectively; citrus fruit, up 12.3 percent; and rice. The latter rose some 5 percent to 2.2 million tons (milled) from the very small 1971 crop; however, this was still 6.7 percent below the Government's target.

The main area of agricultural emphasis, livestock production, managed an increase of 8.5 percent. Poultry was the leader here, almost doubling the 1971 level as it soared to 90,000 tons. Pork output increased some 7 percent to 427,000 tons. These gains allowed meat production to climb 17 percent to 546,000 tons last year, with most of it again in poultry meat.

Dairy production, the beneficiary of some 70 different Government programs, also has grown rapidly, and the herd now totals about 11,000 head for a 50-percent increase so far. Similar rapid growth is being made in Taiwan's infant beef cattle industry.

Despite these ventures into new areas, pork continues the star of the domestic meat industry and the source of sizable foreign exchange earnings for Taiwan.

In 1972, pork and live hog exports earned an estimated $22 million, with the bulk of this moving as frozen pork to Japan and the balance as live hogs and suckling pigs to Hong Kong and Singapore. Hopes are to expand this trade to $50 million in 1973.

Partly because of high world prices, these and other Taiwanese exports of farm products were well maintained last year. During the first 8 months of 1972, such shipments totaled about $235 million. Sugar was the largest foreign exchange earner, with $57.3 million; followed by canned mushrooms, $41 million; and bananas, $35.4 million.

Other important items included canned asparagus and pineapple, other vegetables, and fresh fruit. Among the latter, citrus fruit—especially oranges and tangerines—have been charting a sharply upward course, rising to 28,400 tons in 1972 from 6,500 in 1967.

Nonetheless, Taiwan continued as a net importer of agricultural products—a position it has occupied since 1967. Moreover, the country faces a number of agricultural problems that are likely to perpetuate this agricultural trade deficit.

These include, on the export side, stiffening competition in heretofore viable markets for canned mushrooms, asparagus, and other specialty processed products as South Korea and other developing countries get into the export business. So important is the problem to Taiwan that a $250,000-program has been launched to develop new agricultural export crops like lichi, peaches, melons, and sweet corn.

Another fast riser that has run into problems recently is the frozen food industry. Between 1967 and 1972, frozen food plants increased from 22 to 52 and exports of their products soared from $5 million to over $50 million. But at the same time, a shortage of raw materials at competitive prices began driving up prices, while plants had expanded capacity to 160,000 tons but were able to turn out only 20,000 tons of products in 1972.

Also worrisome are faltering banana shipments, which fell 25 percent in 1972 to 230,000 tons. This long-standing problem prompted the Government in January 1973 to consolidate banana exports under one organization as opposed to the tradition of splitting shipments between grower organizations and exporter groups.

Elsewhere in agriculture, the country must contend with a rapid exodus from farm to city and a simultaneous rise in part-time farming among many of the remaining smallholders. Problems of infrastructure also are plaguing agriculture as it makes its arduous transition from subsistence to modern efficient enterprises.

Antiquated grain handling methods, for instance, have been a bottleneck in the rapidly increasing movement of imported grains and soybeans. While many remedies are being discussed, plans already announced include the construction of new unloading facilities, including a 40,000-metric-ton grain silo in the southern port of Kao Hsiung, where the present capacity is 100,000 tons of flat warehouses, and one 40,000-ton grain silo.

Such difficulties, plus continued stress on industrial rather than agricultural development, are reflected in rather modest long-term goals for Taiwanese agriculture. Slated to grow at an overall rate of 4.4 percent between 1972 and 1976, agricultural production will see the fastest rate of gain in corn and silk, pegged to rise by over 50 and 90 percent annually during the 4-year plan—and the least in rice—1.37 percent.

Exports of raw agricultural products between 1972 and 1976 are expected to grow at the annual rate of 1.5 percent, while the yearly gain for processed product exports is put at only 0.5 percent. For both categories, shipments will increase initially and then taper off by 1976.

However, such targets have often proved unrealistic in the past, and agriculture as a whole will continue to account for a declining share of the GNP in the years ahead.

Taiwan Acting To Bolster Its Agriculture

To boost production and improve conditions of a faltering agriculture, the Taiwanese Government this year launched a $50-million agricultural development program, to be effective through 1974.

The program is aimed at correcting problems that have developed as a result of the country's rapid shift from an agrarian to industrial economy, with a resulting exodus from farm to city, further decline in numbers of full-time farmers, and lessened agricultural contribution to economic growth. The nine specific measures of the program include:

- Abolition of a rice-fertilizer barter system, which had been highly unpopular. Fertilizers, in the past allocated to farmers by the Government, are now being supplied on a loan basis, with farmers having the choice of repaying the loans either with cash or in kind after harvest. In addition, the Government is now making its compulsory rice purchases at market prices, rather than at fixed prices, previously below those in the free market.
- Abolition of the land surtax levied for educational purposes.
- Relaxation of terms of agricultural loans. Credit is being supplied jointly by agricultural banks and farmers' associations through special production loans not subject to the ceiling limits on ordinary unsecured loans. Unsecured loans are also available to farmers in low-income areas, and credit departments of farmers' associations are being strengthened to provide better services.
- Improvement of agricultural marketing, including strengthening of cooperative marketing, and of fruit and vegetable wholesale markets.
- Strengthening of rural infrastructure by construction of additional drainage ditches, irrigation canals, dikes, windbreaks, and feeder roads, and further development and improvement of environmental sanitation.
- Accelerated improvement of production methods and farm mechanization, including low-interest farm machine loans, promotion of joint farming by smallholders, and expanded services to small farmers.
- Establishment of specialized agricultural production areas. The main types will include areas for feedgrain production, export crops such as mushrooms, asparagus, pineapple, bananas, citrus fruits, tea, silk, and important vegetables; and integrated crop-livestock areas.
- Strengthening of agricultural research and extension, with funds pooled for more efficient utilization.
- Encouragement of industry in rural areas to provide more employment opportunities for part-time farmers.

CROPS AND MARKETS

GRAINS, FEEDS, PULSES, AND SEEDS

Soviet Grain Crop Prospects

According to recent reports of weather and crop conditions, the USSR grain crop for 1973 is progressing satisfactorily. As of July 1, prospects point to a record output. Barring unfavorable weather during the remainder of the growing season, the Soviet gross grain harvest this year could approach the USSR's planned goal for 1973 of 197.4 million tons.

The U.S. Department of Agriculture currently estimates the Soviet crop at 195 million tons (gross weight) including 95 million tons of wheat. Yields for the winter wheat crop are likely to attain record levels. Much still depends upon the spring grain crop, particularly the wheat and barley in the new lands area. The spring grain crop this year is expected to account for about three-fourths of total output assuming normal development of the crop.

The area sown to grain in 1973 reportedly is 316 million acres, 5 percent larger than last year. Given normal losses, an estimated 311 million acres will be harvested as grain, the largest such area since 1965. Also, plans called for a sharp increase in fertilizer on grains.

Weather thus far in 1973 has been relatively favorable in the USSR. Damage to winter grains was no greater than normal. Spring arrived early permitting the abnormally large volume of field work to be satisfactorily completed this year. Precipitation and temperatures generally have been favorable for both winter and spring grains through June. However, weather has been drier and hotter than normal in northeastern European USSR, the Urals region, and in a part of northern Kazakhstan. If the hot dry weather continued into July, it would result in a reduction of the 95-million ton estimate.

Analysis of past disappearance trends and the current USSR livestock situation indicates that Soviet domestic requirements for grain in 1973-74 (July-June) appear to be about equal to the announced 1973 grain output target of 197.4 million tons. However, a strong drive to fully recover from the 1972 livestock setback and to meet 1974 and 1975 targets could increase this requirement level by as much as 5 million tons. Thus, in view of the generally favorable development of the Soviet crop, purchases for 1973-74 delivery may be used mainly for rebuilding of reserve stocks within the USSR and to protect against any deterioration in prospects of the size or the quality of the spring grain crops.

Whereas earlier USDA reports had projected USSR grain imports for 1973-74 at about 15 million tons from all sources, current prospects indicate a somewhat smaller amount.

Thailand Expects Record Corn Crop

The 1973 Thai corn crop is estimated at 2.5 million tons, nearly double last year's 1.3 million, and well over the previous record of 2.2 million in 1971. Good rains and larger planted area account for the expanded crop.

Thailand will probably export over 2 million tons of corn in 1973-74, including about 1 million tons to Japan and 400,000 tons to Taiwan.

Rotterdam Grain Prices and Levies

Current offer prices for imported grain at Rotterdam, the Netherlands, compared with a week earlier and a year ago:

Item	July 17	Change from previous week	A year ago
	Dol. per bu.	*Cents per bu.*	*Dol. per bu.*
Wheat:			
Canadian No. 1 CWRS-14	(1)	(1)	2.02
USSR SKS-14	(1)	(1)	(1)
Australian FAO [2]	(1)	(1)	1.78
U.S. No. 2 Dark Northern Spring:			
14 percent	3.94	+24	1.93
15 percent	4.01	+25	2.01
U.S. No. 2 Hard Winter:			
13.5 percent	3.91	+24	1.82
No. 3 Hard Amber Durum	4.54	+35	1.93
Argentine	(1)	(1)	(1)
U.S. No. 2 Soft Red Winter	3.84	+23	(1)
Feedgrains:			
U.S. No. 3 Yellow corn	3.25	+14	1.50
Argentine Plate corn	3.68	+19	1.78
U.S. No. 2 sorghum	3.09	+15	1.48
Argentine-Granifero sorghum	3.12	+16	1.50
U.S. No. 3 Feed barley	2.76	+19	1.28
Soybeans: [3]			
U.S. No. 2 Yellow	8.18	+ 2	3.80
EC import levies:			
Wheat [4]	[5] 1.02	− 1	1.82
Corn [6]	[5] .49	+14	1.23
Sorghum [6]	[5] .60	+14	1.25

[1] Not quoted. [2] Basis c.i.f. Tilbury, England. [3] New crop. [4] Durum has a separate levy. [5] Levies applying in original six EC member countries. Levies in U.K., Denmark, and Ireland are adjusted according to transitional arrangements. [6] Italian levies are 18 cents a bu. lower than those of other EC countries.

Note: Price basis 30- to 60-day delivery.

Brazil Acts To Insure Adequate Corn Output

Brazil has acted to insure adequate corn supplies in the face of a strong swing to soybean production.

In order to get a soybean crop loan a farmer must increase his corn area by a stated percentage of his soybean area. The percentage varies from 3 to 5 percent according to region.

The crop loan ceiling for corn was also increased to 80 percent (from 60) of the cost of production.

Indications are that wheat plantings may also be affected by the current swing to soybeans, but no action was taken to protect wheat.

Turkish Wheat Prospects

Dry weather in June has reduced Turkey's wheat prospects to an estimated 8 million tons from an earlier 9-million-ton estimate. This raises the possibility that Turkey may want to import some wheat during 1973-74.

Brazil Cuts Pea, Lentil Duties

Brazil has reduced its ad valorem import duty for peas and lentils for the remainder of 1973 to 5 percent. The permanent rate is 37 percent. The action was taken because of shortages and high prices for domestic beans.

Grain Production Pushed in Japan

The Japanese Government has announced a 14-percent increase in domestic producer prices for wheat and barley. Production is being encouraged because of the tight international grain supply.

Domestic production of wheat and barley in Japan fell to around 434,000 metric tons in 1972-73 from about 4.5 million tons a decade ago.

Grain Exports and Transportation Trends: Week Ending July 6

Weekly grain inspections for export and grain moving in inland transportation for the week of July 6 and the previous week were:

Item	Week ending July 6	Previous week	Weekly average, May	Weekly average, third quarter
	1,000 metric tons	*1,000 metric tons*	*1,000 metric tons*	*1,000 metric tons*
Weekly inspections, for export:				
Wheat	711	670	758	637
Feedgrains	630	872	688	690
Soybeans	57	187	268	327
Total	1,498	1,729	1,714	1,654
Inland transportation:				
Barge shipments of grain	(1)	592	221	495
	Number	*Number*	*Number*	*Number*
Railcar loadings of grain	31,706	36,356	30,619	32,271

[1] Not available.

COTTON

Italy To Boost Cotton Textile Imports From Bulgaria

Italy has been authorized by the European Community (EC) to increase cotton textile imports from Bulgaria by 130 tons, according to Italian press reports. Italian authorities had previously requested the import quota under the Italian-Bulgarian trade agreement be boosted 240 tons above the past figure of 250 tons.

The Italian Government said the requested hike would enable Italy to improve trade with Bulgaria by providing a market for some of its industrial products which would help improve Italy's adverse economic situation.

The EC opposed Italy's request for the full increase because of long-term deterioration in the Community's cotton-textile trade position. Over a 10-year period, EC production of cotton fabrics has dropped from 683,000 tons in 1960 to 520,800 tons in 1970, although the reduction in Italy's production was relatively less severe.

Imports of cotton fabrics from third countries, rising from 32,000 tons in 1960 to 84,000 tons in 1970, cut into the domestic market, as the ratio of imports to domestic consumption of cotton fabrics increased from 5.5 percent to 15 percent in the same period. In addition, there has been a sharp expansion of manmade fiber-fabric imports.

In rejecting Italy's request for the full 240-ton increase, the EC also stated while it was important to trade with East European countries, a balance had to be maintained with purchases made from developing countries. It was pointed out that under the General Agreement on Tariffs and Trade, the EC had bilateral agreements with these latter nations which—while limiting their cotton exports to the EC—take into consideration the importance of textile production in their economies.

SUGAR AND TROPICAL PRODUCTS

India's Pepper Exports Up

India's exports of black pepper in 1972 totaled 20,627 metric tons, up 22 percent over 1971 shipments of 16,901 tons. Because of the large 1972-73 harvest, exports for this year are expected to be even higher.

The major recipients of India's 1972 exports (in metric tons) were: The Soviet Union, 9,418; Poland, 1,561; the United States, 1,472; Yugoslavia, 1,262; Canada, 1,205; Italy, 1,080; and Hungary, 1,066.

Pepper prices have been rising steadily since the beginning of the year, but have jumped sharply in recent weeks. New York spot prices as of early July for Malabar black pepper were about 65 cents per pound, up from a-year-earlier levels of 48 cents. Tellicherry black pepper was also higher at 70 cents per pound, compared with July 1972 prices of 57 cents.

Cocoa Agreement Now in Force

On June 30, 1973, the International Cocoa Agreement entered into force after over 16 years of consultations and negotiations. The Secretary General of the United Nations Conference on Trade and Development (UNCTAD) set the first session of the International Cocoa Council (ICC) in Geneva for July 30, 1973, in preparation for implementing the Agreement in time for the beginning of the 1973-74 cocoa season on October 1.

It is still undecided if London, Hamburg, or Amsterdam will be the headquarters of the ICC, which has the responsibility of administering the Agreement. At the July 30 meeting, the ICC is expected to consider the 23- to 32-cents-per-pound price range of the Agreement in view of the February devaluation of the dollar.

With cocoa bean prices now at record highs and more than double the maximum end of the price range to be used in the Agreement, it is doubtful that the implementation of the Agreement will have much of an impact during the 1973-74 cocoa season. In addition, the creation of a cocoa buffer stock will be quite difficult in view of the short supply of cocoa.

Canadian Mustardseed Output To Remain Low in 1973

The United States may be faced with a shortage of mustardseed this year as a result of a series of small Canadian crops.

The United States, where production has fallen to very low levels because of low mustardseed prices, now relies on Canada for almost all of its mustardseed requirements. Because of adverse growing conditions and reduced acreage, Canadian mustardseed production last year was only 151.5 million pounds, off about 18 percent from the 1971 crop which was also below average.

Canadian crop prospects for 1973 are not encouraging, and a harvest approximating the poor 1972 outturn is being predicted by Canadian agricultural officials. Average annual production during 1965-69 was about 233 million pounds.

Mustardseed supplies from sources in Europe are also low this year, and little increase in imports from that area can be expected.

U.S. imports of mustardseed during the first 5 months of 1973 are off 28 percent from the similar 1972 period. U.S. imports during calendar 1972 totaled a record 104 million pounds valued at $5 million.

Mustardseed prices have moved sharply higher this year. Canadian contract prices have reached record levels of 7.5 Canadian cents per pound for yellow and about 6 cents per pound for brown and oriental types.

FATS, OILS, AND OILSEEDS

PRC Now a Major Customer For U.S. Soybean Oil

U.S. soybean oil exports through May 1973 totaled 767 million pounds, including 135 million pounds (18 percent) to the People's Republic of China. All exports of U.S. soybean oil to the PRC are on a cash basis.

Exports of U.S. soybean oil to the PRC this marketing year have now exceeded those to such traditional commercial customers as Yugoslavia, Iran, and India. Additional sales of U.S. soybean oil should take place during the current year if recently imposed licensing restrictions permit.

Palm Oil Export Growth Slackens in 1972-73

Palm oil exports from the major producer-exporter countries (West Malaysia, Sabah, Indonesia, and Zaire) during the October 1972-April 1973 period (October-December for Indonesia) rose to 567,400 metric tons or 12 percent above the same period in 1971-72. This increase represents a substantial slackening in growth from the same period a year ago when exports from the same countries—at 505,500 tons—were running 32 percent ahead of the 1970-71 volume.

Export growth in the remaining months of 1972-73 and beyond is expected to accelerate. Exports from these countries in 1972-73 may approximate 1.1 million tons or 15 percent above 1971-72, against last year's 20-percent increase of 163,900 tons.

PALM OIL EXPORTS FROM SELECTED MAJOR PRODUCER-EXPORTER COUNTRIES
[In thousands of metric tons]

Country	1970	1971	1972
West Malaysia[1]	265.0	335.3	421.0
Sabah[1]	19.8	40.3	41.3
Indonesia[2]	36.4	64.7	67.2
Zaire[1]	62.8	65.2	37.9
Total	384.0	505.5	567.4

[1] Oct.-April. [2] Oct.-Dec.

Philippine Copra and Coconut Oil Exports Down

Philippine exports of copra and coconut oil during the January-May 1973 period—based on preliminary data—amounted to 410,000 metric tons (oil basis)—8 percent below the 447,000-ton volume moved during the same 5 months in 1972. The decline is expected to continue throughout 1973 and into 1974 reflecting reduced rainfall.

As a consequence Philippine exports in calendar 1973 are expected to drop by roughly 200,000 tons (oil basis)—the oil equivalent of nearly 42 million bushels of soybeans.

This year's decline follows last year's share increase of 237,700 tons, equal to the oil fraction of nearly 50 million bushels of soybeans.

PHILIPPINES: COCONUT PRODUCT EXPORTS
[In thousands of metric tons]

Item	1971	1972	Jan.-May 1972	Jan.-May 1973[1]
Copra	810	991	416	354
Coconut oil	409	467	181	184
Total[2]	863	1,101	447	410

[1] Based on export applications. [2] Oil basis.

Russian Sunflowerseed Crop

Plentiful rain in the southern grain-growing region of the Soviet Union has speeded up growth of the sunflowerseed crop. The flowers were reported to be developing well and ahead of normal growth, according to a recent article in a Soviet farm publication.

Argentina Bans Future Sunflower Oil Exports

The Argentine Government has banned exports of sunflower oil, according to a recent official resolution. The restriction applies to future exports and does not affect shipments already contracted.

Canada Licenses Oilseed And Meal Exports

Contrary to earlier reports, the Canadian Government has not embargoed exports of oilseeds and meals but has placed them under export-licensing control. The Canadian Government is surveying domestic availability of the commodities in-

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volved in order to determine export licensing guidelines.

The commodities affected are soybeans, soybean cake and meal, rapeseed, rapeseed cake and meal, flaxseed, linseed cake and meal, and fishmeal.

TOBACCO

Chinese Tobacco Replaces U.S. Leaf in Singapore

During 1972 the People's Republic of China displaced the United States as Singapore's leading source of leaf tobacco.

Singapore's imports of U.S. leaf declined 26 percent from 5.3 million pounds in 1971 to 3.9 million in 1972. Imports from China jumped markedly from 1.1 million pounds in 1971 to 9 million in 1972.

Chinese leaf accounted for 53 percent of the 16.9 million pounds of leaf tobacco imported by Singapore in 1972 compared with a market share of 10 percent in 1971. The U.S. share was 51 percent in 1971 and 23 percent in 1972.

The c.i.f. value of Chinese leaf imported by Singapore in 1972 was about 18 U.S. cents per pound compared with the U.S. leaf price of $1.16.

FRUIT, NUTS, AND VEGETABLES

Mexico's Citrus Output Down In Nuevo Leon and Tamaulipas

Current conditions indicate less citrus will be available from Mexico's two major citrus exporting States of Nuevo León and Tamaulipas during 1973-74, primarily because of a light fruit set. The outlook for oranges is for a 10-15 percent reduction in early varieties, but a Valencia crop about equal to 1972-73.

Total orange production in these two States for the 1972-73 season is estimated at about 410,000 metric tons, compared with 379,000 tons in 1971-72.

The 1973-74 tangerine crop is expected to be about half the 105,000 metric tons produced in the previous season. Output was 35,450 tons in 1971-72—the off year in the normal 2-year cycle—but was 105,000 tons the season before.

The grapefruit set is also poor, but increased tree size and new groves coming into production are expected to result in a slightly larger crop than the 12,500 metric tons produced in 1972-73. The season before, tangerine production was 7,500 metric tons.

West German Import Tender For Juice Concentrates

West Germany has announced an extension of the tender permitting imports of apple and pear juice concentrates, including mixtures, from a large number of countries including the United States.

Applications for import licenses will be accepted until the undisclosed value limit is reached, but not later than August 15, 1973. Import licenses issued will be valid through August 31, 1973.

West German Tender For Canned Asparagus

West Germany has announced a tender allowing imports of canned asparagus cuts and tips.

Applications for import licenses may be made until December 28, 1973. Licenses issued will be valid until December 31, 1973. The first day of customs clearance was July 1, 1973.

Venezuelan Apple and Pear Imports for May 1973

An official tally of apple and pear imports for May (compiled from daily reports of the Venezuelan Port Authority) in metric tons shows:

Commodity	Origin	Volume
Apples	U.S.	191
..do	Chile	116
..do	France	5
Pears	Italy	39
Apples and pears [1]	New Zealand	658

[1] Not identified separately.

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